



March 28, 2016

Marlene Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington DC 20554

Re: Notice of *Ex Parte* Presentation, CG Docket No. 02-278

Dear Ms. Dortch:

On March 23 and 24, 2016, representatives from numerous national consumer advocacy organizations met with staff for four FCC commissioners and the Consumer and Governmental Affairs Bureau of the FCC regarding the pending regulations implementing Section 301 of the 2015 Budget Act. The following consumer representatives attended some or all of the meetings: Ira Rheingold and Christine Hines of the National Association of Consumer Advocates; George Slover of Consumers Union; Jennifer Wang of the Institute for College Access and Success; Lisa Stiffler and Melissa Stegman of the Center for Responsible Lending; Alexis Goldstein and Brian Simmonds Marshall of Americans for Financial Reform; Linda Sherry of Consumer Action; April Kuehnhoff of the National Consumer Law Center, representing the Student Loan Borrower Assistance Project; and Sonia Gill of Public Citizen. I attended all the meetings.

The staff we met with were David Grossman of Commissioner Clyburn's staff; Gigi Sohn and Diane Cornell of Chairman Wheeler's staff; Travis Litman and Jennifer Thompson of Commissioner Rosenworcel's office; Nicholas Dagani of Commissioner Pai's office; and Kristi Thornton, Kurt Shroeder, and John Adams of the Consumer and Governmental Affairs Bureau.

At each meeting we discussed the contents of the attached statement from our twelve national consumer groups.

If there are any questions, please contact Margot Saunders at the National Consumer Law Center (NCLC), msaunders@nclc.org (202 452 6252, extension 104).

This disclosure is made pursuant to 47 C.F.R. §1.1206.

Thank you very much.

Sincerely,

Margot Saunders



March 23, 2016

Essential Principles of Consumer Protection that the FCC Should Adopt for Calls to Collect Government Debt

As national consumer groups that represent millions of low and moderate income consumers in the United States, we urge the FCC to integrate essential consumer protections into its regulations for robocalls to cell phones to collect debts owed to the federal government.

We strongly endorse and support the protections set forth in Chairman Wheeler's recent letters to members of Congress:

1. Limiting the exemption for robocalls to collect debts owed to the federal government to calls made after a debtor has become delinquent;
2. Limiting the exemption to calls by creditors and those calling directly on their behalf, including debt servicers;
3. Allowing these robocalls to be made only to the debtor, not the debtor's relatives, friends, acquaintances;
4. Limiting the number of calls to three per month per delinquency; and
5. Giving consumers the right to stop the calls, and requiring callers to inform debtors of this right.

We urge the Commission to adopt these essential protections. The budget bill only permits debtors to be called, not others. Debtors must be able to tell callers to stop calling on their cell phones, and a right to stop calling is of no use if consumers are not informed of this right. The proposed limit of three calls a month seems appropriate to us.

In addition, we recommend further protections, to ensure that callers are held to these requirements, and to ensure that the regulation does not allow robocalls to people who have no relation to the debtor:

6. Callers should be required to have mechanisms in place to ensure that the caller has a "reasonable expectation that the called party is the debtor" and should be required to

document the basis for this expectation and produce it when there is a challenge to calls being made to wrong numbers.

7. Calls to reassigned numbers should be treated the same as under the Omnibus Order (in other words, only one mistake is allowed).
8. Every time that the debt collector causes the consumer's phone to ring should count as one call – whether or not the debt collector actually speaks to the consumer or leaves a voice mail message.
9. As debt buyers of federal debt are not collecting debt owed the federal government, they should be specifically excluded from coverage under this regulation.
10. Callers should be required to comply with the requirements of the Fair Debt Collection Practices Act for time of calls (this prohibits calls before 8 am or after 9 pm).¹

Most, if not all, debtors who are delinquent on debts owed to the federal government are facing financial hardship, often for a longstanding period. Many are likely to be using cell phones with limited calling minutes and texts. Multiple, harassing robocalls seeking collection of debts they cannot pay are likely to make their situations worse, rather than result in increased repayment of these debts. Indeed, it is notable that the Congressional Budget Office did not believe that passage of this amendment to the TCPA would result in any additional collections for the U.S. Treasury.²

We will provide more information in our comments in response to the proposed regulation.

For further information, please contact Margot Saunders, National Consumer Law Center, msaunders@nclc.org.

Descriptions of National Organizations On Behalf of Which These Comments Are Filed

Americans for Financial Reform is an unprecedented coalition of over 250 national, state and local groups who have come together to reform the financial industry. Members of our coalition include consumer, civil rights, investor, retiree, community, labor, faith based and business groups.

The **Center for Responsible Lending (CRL)** is a nonprofit, non-partisan research and policy organization dedicated to protecting homeownership and family wealth by working to eliminate abusive financial practices. CRL is an affiliate of Self-Help, a nonprofit community development financial institution. For 30 years, Self-Help has focused on creating asset building opportunities for low-income, rural, women-headed, and minority families, primarily through financing safe, affordable home loans.

Consumer Action has been a champion of underrepresented consumers nationwide since 1971. Consumer Action focuses on financial education that empowers low to moderate income and limited-English-speaking consumers to financially prosper. It also advocates for consumers in the media and before lawmakers to advance consumer rights and promote industry-wide change.

¹ 15 U.S.C. § 1692c(a).

² See CBO estimate for the 2015 Bipartisan Budget Act in relation to Section 301. Available at <https://www.cbo.gov/sites/default/files/114th-congress-2015-2016/costestimate/hr1314.pdf>.

The **Consumer Federation of America** is an association of nearly 300 nonprofit consumer groups that was established in 1968 to advance the consumer interest through research, advocacy and education.

Consumers Union is the public policy and advocacy division of Consumer Reports. Consumers Union works for telecommunications reform, health reform, food and product safety, financial reform, and other consumer issues. Consumer Reports is the world's largest independent product-testing organization. Using its more than 50 labs, auto test center, and survey research center, the nonprofit rates thousands of products and services annually. Founded in 1936, Consumer Reports has over 8 million subscribers to its magazine, website, and other publications.

The **National Association of Consumer Advocates** (NACA) is a non-profit association of consumer advocates and attorney members who represent hundreds of thousands of consumers victimized by fraudulent, abusive and predatory business practices. As an organization fully committed to promoting justice for consumers, NACA's members and their clients are actively engaged in promoting a fair and open marketplace that forcefully protects the rights of consumers, particularly those of modest means.

National Center for Law and Economic Justice (NCLEJ) works with low-income families, individuals, communities, and a wide range of organizations to advance the cause of economic justice through ground-breaking, successful litigation, policy work, and support of grassroots organizing around the country.

National Consumer Law Center (NCLC) is a non-profit corporation founded in 1969 to assist legal services, consumer law attorneys, consumer advocates and public policy makers in using the powerful and complex tools of consumer law for just and fair treatment for all in the economic marketplace. NCLC has expertise in protecting low-income customer access to telecommunications, energy and water services in proceedings at the FCC and state utility commissions and publishes *Access to Utility Service* (5th edition, 2011) as well as NCLC's *Guide to the Rights of Utility Consumers* and *Guide to Surviving Debt*.

Public Citizen is a national non-profit organization with more than 225,000 members and supporters. We represent consumer interests through lobbying, litigation, administrative advocacy, research, and public education on a broad range of issues including consumer rights in the marketplace, product safety, financial regulation, safe and affordable health care, campaign finance reform and government ethics, fair trade, climate change, and corporate and government accountability.

The Student Loan Borrower Assistance (SLBA) Project is an arm of the National Consumer Law Center that provides information about student loan rights and responsibilities for borrowers and advocates. It also seeks to increase public understanding of student lending issues and to identify policy solutions to promote access to education, lessen student debt burdens and make loan repayment more manageable.

The Institute for College Access & Success (TICAS) is a non-profit, nonpartisan policy organization that works to make higher education more available and affordable for people of all backgrounds. TICAS' Project on Student Debt works to increase public understanding of rising

student debt and the implications for our families, economy and society.

U.S. Public Interest Research Group (U.S. PIRG) serves as the Federation of State PIRGs, which are non-profit, non-partisan public interest advocacy organizations that take on powerful interests on behalf of their members. For years, U.S. PIRG's consumer program has designated a fair financial marketplace as a priority. Our research and advocacy work has focused on issues including credit and debit cards, deposit accounts, payday lending and rent-to-own, credit reporting and credit scoring and opposition to preemption of strong state laws and enforcement. On the web at www.uspirg.org.

Young Invincibles is a national non-profit organization that focuses on empowering young Americans with information regarding healthcare, jobs, economic opportunity and higher education.